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इस भाग में भिन्न पृष्ठ संख्या दी जाती है जिससे कि यह अलग संकलन के रूप में रखा जा सके।
Separate paging is given to this Part in order that it may be filed as a separate compilation.

MINISTRY OF LAW AND JUSTICE

(Legislative Department)

New Delhi, the 25th March, 1997/Chaitra 4, 1919 (Saka)

The following Act of Parliament received the assent of the President on the 25th March, 1997 and hereby published for general information :—

THE INCOME-TAX (AMENDMENT) ACT, 1997

ACT No. 14 OF 1997

[*25th March,* 1997]

An Act further to amend the Income-tax Act, 1961.

BE it enacted by Parliament in the Forty-eighth Year of the Republic of India as follows:—

Short title and commencement.

1. (*1*) This Act may be called the Income-tax (Amendment) Act, 1997.

(*2*) Save as otherwise provided in this Act, sections 4 to 10 shall be deemed to have come into force on the 1st day of January, 1997.

43 of 1961.

Amendment of section 54EA.

2. In section 54EA of the Income-tax Act, 1961 (hereinafter referred to as the Income-tax Act), with effect from the 1st day of October, 1996,—

(*a*) in sub-section (*1*), for the words, brackets, figures and letter "bonds, debentures or units of mutual fund referred to in clause *(23D)* of section 10", the words, brackets, figures and letter "bonds, debentures, shares of a public company or units of any mutual fund referred to in clause (*23D*) of section 10" shall be substituted and shall be deemed to have been substituted;

(*b*) for the words "specified bonds or debentures", wherever they occur, the words "specified securities" shall be substituted and shall be deemed to have been substituted.

Amendment of section 80G.

3. In section 80G of the Income-tax Act, with effect from the 1st day of April, 1997,—

(*a*) in sub-section (*1*), in clause (*i*), after the word, brackets, figures and letters "sub-clause (*iiihd*)", the words, brackets, figures and letters "or sub-clause *(iiihe)*" shall be inserted;

(*b*) in sub-section (*2*), in clause (*a*), after sub-clause (*iiihd*), the following sub-clause shall be inserted, namely:—

"(*iiihe*) the National Illness Assistance Fund; or".

Amendment of section 158BC.

4. In section 158BC of the Income-tax Act, for clause (*a*) the following shall be substituted, namely:—

"(*a*) the Assessing Officer shall—

(*i*) in respect of search initiated or books of accounts or other documents or any assets requisitioned after the 30th day of June, 1995 but before the 1st day of January, 1997 serve a notice to such person requiring him to furnish within such time not being less than fifteen days;

(*ii*) in respect of search initiated or books of account or other documents or any assets requisitioned on or after the 1st day of January, 1997 serve a notice to such person requiring him to furnish within such time not being less than fifteen days but not more than forty-five days,

as may be specified in the notice a return in the prescribed form and verified in the same manner as a return under clause (*i*) of sub-section (*1*) of section 142, setting forth his total income including the undisclosed income for the block period:

Provided that no notice under section 148 is required to be issued for the purpose of proceeding under this Chapter:

Provided further that a person who has furnished a return under this clause shall not be entitled to file a revised return;".

Amendment of section 158BE.

5. In section 158BE of the Income-tax Act, for sub-sections (*1*) and (*2*), the following sub-sections shall be substituted, namely:—

"(*1*) The order under section 158BC shall be passed—

(*a*) within one year from the end of the month in which the last of the authorisations for search under section 132 or for requisition under section 132A, as the case may be, was executed in cases where a search is initiated or books of account or other documents or any assets are requisitioned after the 30th day of June, 1995 but before the 1st day of January, 1997;

(*b*) within two years from the end of the month in which the last of the authorisations for search under section 132 or for requisition under section 132A, as the case may be, was executed in cases where a search is initiated or books of account or other documents or any assets are requisitioned on or after the 1st day of January, 1997.

(2) The period of limitation for completion of block assessment in the case of the other person referred to in section 158BD shall be—

(*a*) one year from the end of the month in which the notice under this Chapter was served on such other person in respect of search initiated or books of account or other documents or any assets requisitioned after the 30th day of June, 1995 but before the 1st day of January, 1997; and

(*b*) two years from the end of the month in which the notice under this Chapter was served on such other person in respect of search initiated or books of account or other documents or any assets are requisitioned on or after the 1st day of January, 1997.".

Insertion of new section 158BFA. Levy of interest and penalty in certain cases.

6. After section 158BF of the Income-tax Act, the following section shall be inserted, namely:—

"158BFA. (*1*) Where the return of total income including undisclosed income for the block period, in respect of search initiated under section 132 or books of account, other document or any assets requisitioned under section 132A on or after the 1st day of January, 1997 as required by a notice under clause (*a*) of section 158BC, is furnished after the expiry of the period specified in such notice, or is not furnished, the assessee shall be liable to pay simple interest at the rate of two per cent. of the tax on undisclosed income, determined under clause (*c*) of section 158BC, for every month or part of a month comprised in the period commencing on the day immediately following the expiry of the time specified in the notice, and—

(*a*) where the return is furnished after the expiry of the time aforesaid, ending on the date of furnishing the return; or

(*b*) where no return has been furnished, on the date of completion of assessment under clause (*c*) of section 158BC.

(*2*) The Assessing Officer or the Commissioner (Appeals), in the course of any proceedings under this Chapter, may direct that a person shall pay by way of penalty a sum which shall not be less than the amount of tax leviable but which shall not exceed three times the amount of tax so leviable in respect of the undisclosed income determined by the Assessing Officer under clause (*c*) of section 158BC:

Provided that no order imposing penalty shall be made in respect of a person if—

(*i*) such person has furnished a return under clause (*a*) of section 158BC;

(*ii*) the tax payable on the basis of such return has been paid or, if the assets seized consist of money, the assessee offers the money so seized to be adjusted against the tax payable;

(*iii*) evidence of tax paid is furnished along with the return; and

(*iv*) an appeal is not filed against the assessment of that part of income which is shown in the return:

Provided further that the provisions of the preceding proviso shall not apply where the undisclosed income determined by the Assessing Officer is in excess of the income shown in the return and in such cases the penalty shall be imposed on that portion of undisclosed income determined which is in excess of the amount of undisclosed income shown in the return.

(*3*) No order imposing a penalty under sub-section (*2*) shall be made—

(*a*) unless an assessee has been given a reasonable opportunity of being heard;

(*b*) by the Assistant Commissioner or the Assistant Director, as the case may be, where the amount of penalty exceeds twenty thousand rupees except with the previous approval of the Deputy Commissioner or the Deputy Director, as the case may be;

(*c*) in a case where the assessment is the subject-matter of an appeal to the Commissioner (Appeals) under section 246 or an appeal to the Appellate Tribunal under section 253, after the expiry of the financial year in which the proceedings, in the course of which action for the imposition of penalty has been initiated, are completed, or six months from the end of the month in which the order of the Commissioner (Appeals) or, as the case may be, the Appellate Tribunal is received by the Chief Commissioner or the Commissioner, whichever period expires later;

(*d*) in a case where the assessment is the subject-matter of revision under section 263, after the expiry of six months from the end of the month in which such order of revision is passed;

(*e*) in any case other than those mentioned in clause (*c*) and (*d*), after the expiry of the financial year in which the proceedings, in the course of which action for the imposition of penalty has been initiated, are completed, or six months from the end of the month in which action for imposition of penalty is initiated, whichever period expires later;

(*f*) in respect of search initiated under section 132 or books of account, other documents or any assets requisitioned under section 132A, after the 30th day of June, 1995 but before the 1st day of January, 1997.

Explanation.—In computing the period of limitation for the purpose of this section,—

(*i*) the time taken in giving an opportunity to the assessee to be re-heard under the proviso to section 129;

(*ii*) the period during which the immunity granted under section 245H remained in force; and

(*iii*) the period during which the proceedings under sub-section (*2*) are stayed by an order or injunction of any court,

shall be excluded.

(*4*) An Income-tax authority on making an order under sub-section (*2*) imposing a penalty, unless he is himself an Assessing Officer, shall forthwith send a copy of such order to the Assessing Officer.".

Substitution of new section for section 158BG.

7. For section 158BG of the Income-tax Act, the following section shall be substituted, namely:—

Authority competent to make the block assessment.

"158BG. The order of assessment for the block period shall be passed by an Assessing Officer not below the rank of an Assistant Commissioner or an Assistant Director, as the case may be:

Provided that no such order shall be passed without the previous approval of—

(*a*) the Commissioner or Director, as the case may be, in respect of search initiated under section 132 or books of account, other documents or any assets requisitioned under section 132A, after the 30th day of June, 1995 but before the 1st day of January, 1997;

(*b*) the Deputy Commissioner or Deputy Director, as the case may be, in respect of search initiated under section 132 or books of account, other documents or any assets requisitioned under section 132A, on or after the 1st day of January, 1997.".

Amendment of section 246.

8. In section 246 of the Income-tax Act, in sub-section (*2*), after clause (*d*), the following clauses shall be inserted, namely:—

"(*da*) an order of assessment made by an Assessing Officer under clause (*c*) of section 158BC, in respect of search initiated under section 132 or books of account, other documents or any assets requisitioned under section 132A, on or after the 1st day of January, 1997;

(*db*) an order imposing a penalty under sub-section (*2*) of section 158BFA;".

Amendment of section 253.

9. In section 253 of the Income-tax Act, in sub-section (*1*), for clause (*b*), the following clause shall be substituted, namely:—

"(*b*) an order passed by an Assessing Officer under clause (*c*) of section 158BC, in respect of search initiated under section 132 or books of account, other documents or any assets requisitioned under section 132A, after the 30th day of June, 1995, but before the 1st day of January, 1997; or".

Insertion of new section 276 CCC.

10. After section 276CC of the Income-tax Act, the following section shall be inserted, namely:—

Failure to furnish return of income in search cases.

"276CCC. If a person wilfully fails to furnish in due time the return of total income which he is required to furnish by notice given under clause (*a*) of section 158BC, he shall be punishable with imprisonment for a term which shall not be less than three months but which may extend to three years and with fine:

Provided that no person shall be punishable for any failure under this section in respect of search initiated under section 132 or books of account, other documents or any assets requisitioned under section 132A, after the 30th day of June, 1995 but before the 1st day of January, 1997.".

Ord. 32 of 1996.

Repeal and saving.

11. (*1*) The Income-tax (Second Amendment) Ordinance, 1996 is hereby repealed.

Ord. 32 of 1996.

(2) Notwithstanding the repeal of the Income-tax (Second Amendment) Ordinance, 1996, anything done or any action taken under the Income-tax Act, as amended by the said Ordinance shall be deemed to have been done or taken under the Income-tax Act, as amended by this Act.

K.L. MOHANPURIA,
Secy. to the Govt. of India.

CORRIGENDA

In the Mahatma Gandhi Antarrashtriya Vishwavidyalya Act, 1996 (No. 3 of 1997), as published in the Gazette of India, Extraordinary, Part II, Section 1, dated the 8th January, 1997 (Issue No. 3), —

1. at page 2,—
 (i) in line 2, *for* "means,", read "mean," ;
 (ii) in line 3, *for* "repectively", *read* "respectively" ;
2. at page 5, in line 24, *for* "annual", *read* "annul";
3. at page 9, in line 3, *for* "subitably", *read* "suitably";
4. at page 11, in lines 10, 13 and 17, omit "(1)" ;
5. at page 19,—
 (i) in line 40, *for* "propery", *read* "property";
 (ii) in line 42, *for* "propery", *read* "property";
6. at page 23, in line 29, *for* "presons", *read* "persons";

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